

## **FISCAL NOTE**

### **SB 4014 - HB 4066**

February 12, 2008

**SUMMARY OF BILL:** Increases the number of eligible employees in the definition of “small employer” as it pertains to the *Tennessee Small Employer Group Health Coverage Reform Act*. Authorizes the establishment of a health group cooperative of small employers made up of at least 1,000 employees or at least 10 participating employers. The Department of Commerce and Insurance shall report to the Governor and the General Assembly on the effectiveness of the availability of health group cooperatives in expanding the availability of health insurance coverage.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Not Significant**

**Increase State Expenditures – \$10,000 / One-Time**

Assumptions:

- The Department of Commerce and Insurance will incur an increase in expenditures to revise existing rules and regulations regarding the *Tennessee Small Employer Group Health Coverage Reform Act*. Any cost can be accommodated within the existing resources without an increased appropriation or reduced reversion.
- Small employer cooperative insurers would pay the premium tax on premiums collected. It cannot be determined how many small businesses would purchase the insurance available or how many employees would shift coverage from their current policies or gain policies under the provisions of this bill. It is estimated that offering small employers a health care cooperative to purchase health coverage will result in an increase in policies being written and an increase in the collection of the premium tax. Such is estimated to be not significant.
- The Department of Commerce and Insurance will incur a one-time increase in expenditures of \$10,000 to promulgate rules, create forms, and establish programming for data collection and retrieval.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml